

Lanesboro Public Utilities  
Council Chambers  
November 17<sup>th</sup>, 2014, 1:00 p.m.

Commissioners Present: Gerald Evenson, Chair  
Theresa Coleman, Dennis Schuck

Absent: Jim Peterson and Jerod Wagner

Staff Present: None

Visitors: Phil Dybing and John Davis

*Commissioner Evenson called the meeting to order at 1:00 p.m. Commissioner Coleman moved to adopt the agenda and table item F to be discussed at a subsequent meeting. Motion was seconded by Commissioner Schuck. Motion carried.*

*Commissioner Schuck moved to approve the minutes of the October 20<sup>th</sup>, 2014 meetings. Motion was seconded by Commissioner Coleman. Motion carried.*

### **Persons with Interest before the Commission**

#### **A. John Davis-Lanesboro Arts Center-Sponsorship of Kiosk and Signage**

*John Davis, Executive Director of the Lanesboro Arts Center was on hand to ask the PUC for sponsorship of the sign and kiosk at the Bass Pond and Light Plant parking lot. He indicated that there was an opportunity for a dollar-for-dollar grant match for the sponsorship. Mr. Davis indicated that whatever the PUC could give would be appreciated. Commissioner Coleman indicated that there was \$5,000 available for economic development in the PUC budget that could be applied to this request. And with matching grant funds, the total would be \$10,000 for sponsorship of the signage. Motion was made by Commissioner Coleman to apply \$5,000 from the economic development portion of the PUC budget to fulfill the request for sponsorship of the signage from the Public Utilities Commission with a matching grant from the Arts Center. Motion was seconded by Commissioner Schuck. Motion carried all in favor.*

#### **B. Phil Dybing-Lanesboro Golf Club-REU Relief**

*Phil Dybing was on hand to address the Commissioners regarding the REU number assigned to the Lanesboro Golf Club. Mr. Dybing indicated that the REU amount of 39(calculated based on the 1.3 million gallons used in FY2013) was not acceptable and would not allow the golf course to remain viable going into the upcoming FY2015. Mr. Dybing asked the Commission to consider*

*suspending the amount charged to the Lanesboro Golf Club under the REU structure so that they could look at other options (drilling their own irrigation well). Mr. Dybing indicated that there was an upcoming meeting of the golf course board to address this issue. Administrator Todd advised the Commissioners that the current REU rate structure was carefully implemented and calculated in order to insure that the first debt service payment was covered with the base fees. Todd advised that the first debt service payment was due in mid-to late summer 2015. 39 REUs is a significant amount to lose from the calculations which was something not considered when the structure was adopted. Todd advised that in order to make the first debt service payment of \$119,000 on the PFA loan, the PUC would either have to find a way to replace the 39 REUs lost if the Commission decides to suspend the Golf Course base fees, or find other funds to insure there is enough to make the debt service payment (which may be a difficult task). Commissioner Evenson advised Mr. Dybing that the Commission would take his request into consideration and report back at the December meeting.*

## **Regular Business**

### **A. Payables**

*Commissioner Coleman moved to pay expenses of the Lanesboro Public Utilities. Motion seconded by Commissioner Schuck. Motion carried.*

### **B. 2015 PUC Budget**

*The PUC was provided the latest version of the 2015 Utilities Budget document. The Commissioners were asked to look through the document and advise if there were any glaring deficiencies and provide input. The document showed utility revenues and expenditures and it was shown that the sewer utility may need an increase in base and usage rates. Commissioner Coleman indicated that the electric utility could provide an inter-fund loan to the sewer utility to pay off some of the debt service on a bond due to expire in 2017. The Commission asked Administrator Todd to provide hard numbers and calculations regarding the inter-fund loan and bond payoff in order to make the sewer utility salient without raising base and usage fees by the December meeting; at which time final approval of the 2015 PUC budget will be voted on.*

### **C. Harter's Trash Service-Rate Increase**

*The Public Utilities Commission was presented a recommendation by the Administrator to authorize a raise in recycling rates for our contracted trash service. Harter's Trash Service had increased recycling rates in mid-2014 and it was calculated that an increase in charges for recycling for Lanesboro customers would be needed. The recommendation was to increase recycling fees by \$.25. Motion was made by Commissioner Coleman to recommend to the City Council an ordinance increasing the*

*recycling fees for Lanesboro customers by \$.25 in response to Harter's increase in the contract with Lanesboro. Motion was seconded by Commissioner Evenson. Motion carried all in favor.*

#### **D. Sewer Utility Rate Structure**

*Administrator Todd advised the PUC during the presentation of the 2015 Utility Budget that the sewer utility rates may need an increase as the current charges are not sufficient to cover debt service and operation and maintenance of the sewer utility. The PUC directed the administrator to provide calculations regarding an inter-fund loan from the electric utility to make the sewer utility viable rather than increase rates. This will be discussed at the December PUC meeting.*

#### **E. Sample Ordinance Mandating Connection to City Water System**

*Administrator Todd provided the PUC with a sample ordinance mandating the connection to the City's water system for all users within the city limits. The PUC elected to table this item until the December meeting.*

#### **F. Green Gables-Billing Adjustment**

*The owners of the Green Gables Inn had requested a billing adjustment from the City regarding their utilities. They indicated that during the off-season, they are short of revenue and are requesting the City allow them to make higher payments on utilities in the summer months in order to off-set the bills for the winter months. The Commission, collectively, advised that there will be no rate adjustment given and that the owners of the Inn should hold funds back in the peak season into a savings account for payments on utilities in the off-season.*

#### **G. Furnace Service Rebate**

*Administrator Todd advised that a few requests for rebates had come into the office for individuals who service their furnace each year. The amount requested was \$25.00. Todd provided the invoice for the service for the Commissioners to view. The invoice was for a gas furnace and the Commission advised that those customers would need to contact Minnesota Energy regarding gas furnace service rebates. The City of Lanesboro only rebates on electric appliances.*

#### **H. Circle Drive Water Utility Hook-Ups-(Discussion from Last PUC Meeting)**

*This item will be tabled once more as City Employees Jim Peterson and Jerod Wagner are not present to discuss this issue.*

## I. Miscellaneous

*Commissioner Coleman advised the Commission that Pedal Pushers Café was asking the Commission to consider a new average for their REU rate structure as they had instituted a few water conservation measures in early 2014. The Commission advised the Administrator to have the Deputy Clerk take a six month average of their utility account to see if there is a significant difference in usage to justify a new REU rate for the restaurant.*

*Commission Chair Jerry Evenson advised the PUC that he and City Council Member Tom Dybing had paid a site visit to the new well and water treatment facility that is underway. Commissioner Evenson advised that there will be trees that will need to be removed due to the proximity to the new facility. He indicated that we should approach Norby Tree Service to trim those branches that are encroaching upon the new facility and also approach the land owner in which the tree resides and ask them to be cut down. Commissioner Evenson stated that he would ask Jim and Jerod to speak with the land owners and Norby's Tree Service.*

*Administrator Todd advised the Commission that one of the utility accounts is falling behind in payments once again. The Commission asked if there was a way to install a smart meter on the residence which would restrict the resident in what appliance he/she could use (example: Choose between the television and furnace). The Commission will ask the advice of the Utility Superintendent at the next meeting.*

**Next Meeting: Monday, December 15<sup>th</sup>, 2014 at 1:00 p.m.**

### **Adjourn Regular Meeting:**

*Motion was made by Commissioner Coleman to adjourn the regular meeting of the PUC. Motion was seconded by Commissioner Evenson. Motion carried all in favor.*

Respectfully Submitted:

David Todd  
City Administrator